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OFFICE OF TRAINING

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The Administrative Services Branch is poorly organized and confused. This arises in part from a previous merger of overt and covert administration within the Office of Training which has been slow in consummation. Of the [] positions on the T/O, position inventory records indicate that eight are filled. There are, however, actually [] persons performing the work. Their budget and fiscal work in the past has been handled by numbers of people on an ad hoc basis. They have recently appointed a Budget Officer in an attempt to eliminate confusion through specialization. There is insufficient work for a full-time Budget Officer and a clerk-stenographer. Little, if any, supervision of a technical character is exercised over this work by the Comptroller's Office. The Budget Officer here reviews fiscal obligations, keeps accounts for each Division, and reviews and approves vouchers for the Office of Training. This latter function amounts to an audit which is in fact duplicated within the Finance or Fiscal Divisions under the Comptroller. The Budget and Fiscal Officer is also charged with responsibility for developing budget and finance plans for each project and for properly coordinating such plans. He also handles operational advances for the Office of Training. [] Chief of the Support Staff, Office of Training, expressed the belief that these specialized positions in the Office of Training could be eliminated and that specialized support could be provided by Central Administration. It would, of course, be necessary to leave behind a residual of administrative generalists to cope with the internal problems not warranting specialization.

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OFFICE OF SPECIAL OPERATIONS

OSO's budget and fiscal system is largely centralized within OSO. Five slots are provided for budget, fiscal and travel functions; of these three are filled, one by a budget officer, one by a fiscal clerk and another by a travel clerk. This leaves two persons to do a majority of the budget and fiscal work involving OSO. Because of OSO's comparatively long experience, many of their budget and fiscal problems have been routinized to the point where it is necessary for their Geographic Divisions to do little or no work in this area. This offers a striking contrast with OPC. There is every reason to believe that there should be more similarity between the two. The financial accountings and supporting vouchers received in Headquarters from OSO Field Stations go through the Geographic Divisions before reaching the Budget Officer in OSO. No advantage can be seen in routing information of this character through Geographic Divisions prior to action by financial experts. Moreover a review at this point by the OSO Budget Officer constitutes a duplication of the auditing and certification function performed within the Finance Division. Field certification would be of obvious value. Moreover the specialized advice offered on allowances and travel does not appear to be a proper function of the OSO Budget Officer. Altogether too frequently they find themselves acting as second guessers to the specialists in Central Administration. In addition, encumbrance records and payroll costs are kept by the OSO Budget Officer in order to determine the unvouchered personal service money remaining. While the law imposes upon the allottee a responsibility for living within the allotment, it appears that records could be furnished to the operators as a service and that this work could be done more effectively on a centralized basis.

The imprest account for taxi fare reimbursement is operated by the OSO Budget and Fiscal Officer. In OPC this fund is operated by each Division.

Secretarial and clerical personnel of OSO have been trained in voucher preparation and the handling of operational advances. The workload has been spread accordingly. OPC employs specialists for many of these functions.

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OFFICE OF COMMUNICATIONS

This Office has a fairly new and inexperienced Administrative Staff, the Office itself having been pulled out recently from under OSO. They are now using two and one-half individuals on the budget and fiscal function and are contemplating asking for an additional person. As expected, the budget and fiscal function here operates similar to that of OSO. A centralized setup exists with direct field contact. In summary, the same conclusions may be reached regarding the budget and fiscal functions in COMMO, as were reached in the case of OSO and additional details appear unnecessary.

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TECHNICAL SERVICES STAFF

The Technical Services Staff compares with the Office of Training insofar as its budget and fiscal needs and processes are concerned. [] Chief of the Administrative Staff, has been doing all budget and fiscal work. A Budget and Fiscal Officer is in process and is expected to be aboard soon. The workload in this Area does not appear sufficient to warrant a full-time Budget and Fiscal Officer and a clerk. Inasmuch as WHD is also in the same building, it might be desirable to offer budget and fiscal service to TSS and WHD through a Budget and Fiscal Officer located in Quarters I under the supervision of the Comptroller. Indications of the performance of an auditing function duplicating that performed in the Finance Division were noted. The fact that TSS is a support activity tends to offer budgetary and fiscal confusion with respect to the covert Offices which it supports. The question of who budgets for what is perpetually arising. This confusion could be minimized if the functions were performed by Central Administration.

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The Budget and Analysis Division of OPC contains [] positions. This Division is responsible for budget, fiscal, organization and methods, and progress evaluation work. The Progress Evaluation Branch, designed to audit various OPC programs and operations, has never been staffed up for effective operation. The Organization and Methods Branch will be the subject of a separate report. The Office of the Division Chief contains a GS-15 Budget and Fiscal Officer filled by [] an additional grade GS-14 position is vacant as well as two secretarial positions. Past performance does not support the need for these four positions and they should be eliminated.

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The Budget Branch contains eight positions, headed-up by a GS-14 Budget Officer. Two of these positions are vacant and an additional two are in process or in training. Four additional positions have been allocated to the EE Division. None of these are filled because the budget and fiscal work has been decentralized to the case officers at branch level. An additional four professional budget and fiscal positions are found in the FE Division. Most of the budget and fiscal work, including travel, is done on a centralized basis within the FE Division. A budget and fiscal position exists for the NE Division and one also exists to serve jointly the Psychological Warfare and International Organization Staff Divisions. The operational differences between OSO and OPC do not serve to entirely justify the great disparity which exists with respect to their budget and fiscal functions.

OPC Divisions have, in the past, operated in an autonomous fashion. This has resulted in a different method of handling the budget and fiscal work within each Geographic Division. Evidences of strong and proper staff supervision from Agency level over OPC's budget and fiscal work are lacking. Too many people are engaged in budget and fiscal functions at various echelons. This has tended to create confusion, overstaffing, and duplication. The OPC budget and fiscal function has been serviced at four different levels, namely the Comptroller's Office, the OPC Budget and Fiscal section, the Geographic Division Budget and Fiscal Personnel, and the case officers within the Geographic Divisions. Standardization, uniformity, and clear delineations of responsibility do not exist. Continuance of this situation will make it impossible for the Deputy Director (Administration) to place responsibility for clearing-up these inadequacies because the organizational elements creating the difficulty are not under his control.

The OPC Budget and Fiscal Section receives its allotments broken-down according to geographic area. They then break these down according to project. An administrative overhead fund []

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... called [] exists for operational development. Geographic Divisions break down each project allotment between Headquarters and Field. Thus, OPC keeps many records in connection with its detailed allotment system which makes it necessary, in many cases, for the Comptroller to get information from the operating office regarding its accounts instead of furnishing such information as a service. For example, OPC must maintain records on transfers of funds from the unvouchered to the vouchered category in order that the Comptroller's records reflect an appropriate transfer of funds. This practice arises in part from the operational necessity for preserving cover by paying for overt supplies for covert projects from overt funds. Concrete standards and instructions regarding the use of vouchered funds as opposed to unvouchered funds are sorely needed. These transfers back and forth between types of funds and paper work in both the Comptroller's Office and in the Personnel Office caused by changes in personnel from vouchered to unvouchered categories and vice versa do not always arise as a result of well-planned operational necessity. A study of this entire situation would appear in order.

It was noted that Standard Form 1080, Vouchers, received from the Department of Defense for material issued by them to our operators in the field were received in the OPC Budget and Fiscal Section for certification prior to final action by the Comptroller's Office. In most cases these vouchers represent a consolidation of many items concerning which OPC Headquarters has little or no information. This step could be eliminated through field certification.

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During the course of the survey it was also noted, from information furnished by the Chief of the OPC Budget and Fiscal Section, that the procedure for reimbursing entrants on duty for temporary duty in Washington prior to permanent change of station overseas is not working well. [], Chief of the OPC Budget and Fiscal Branch, is of the opinion that travel orders should not be written in this case and that they serve to complicate the situation. He stated that the Chief of the Finance Division prepared a paper on or about 14 February 1952, on this subject proposing a solution. This problem will be examined in due course by the O&M Service.

In the FE Division of OPC, where budget work is done at the Division level, all obligating documents are routed to the Budget Officer. This includes requests for subsidy and proprietary advances, purchase requisitions, travel vouchers, per diem vouchers, and various other obligating documents. This enables the Budget Officer to keep monthly and cumulative records of expenditures, allotments,

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and unobligated balances. Delay in receipt of obligating documents and reports from Field Stations produces a problem with respect to determining unobligated balances. The financial situation is reported by the Budget Officer of the FE Division to the various case officers who prepare monthly status reports on each project and forward them to the Budget and Fiscal Officer for OPC. This financial information is subsequently posted in the OPC Budget and Fiscal Section.

Field Station accountings are received and reviewed by case officers in the Geographic Divisions. They then go to the FE Division's Budget Officer for review and recording. The accounting is finally reviewed, audited and certified within the Finance Division. This duplication and double handling could be eliminated.

Approval of the Budget and Fiscal T/O for OPC/FE assumed that the Section Chief would be of GS-12 caliber and would supervise all budget, fiscal and travel work for the Division. In practice, however, a GS-9 (a competent young accounting graduate) has been assigned responsibility for all of the budget work. The fiscal work has been divided among many people. The travel work is performed by one person. The Budget Officer does not supervise fiscal and travel work. These deviations should have been but were not cleared with DE/A who approved the initial arrangement.

The FE fiscal and travel responsibilities enumerated in succeeding paragraphs are under a locally designated Chief of the Finance Section not organizationally recognized on the T/O. The Comptroller was not consulted, nor were other Agency officials consulted, in arriving at this deviation.

The FE Finance Section prepares travel orders, reviews travel vouchers and assists in making travel arrangements. The review function is in fact a financial audit and should not be performed here as it duplicates the Finance Division audit. The advice rendered case officers on covert pay and travel matters could not be as accurate as that offered by the Finance Division. Many of the travel functions performed duplicate those assigned to the Central Processing Unit of the Covert Personnel Division. Written instructions on all details of travel would eliminate much confusion.

At the present time there are (according to of the FE Finance Section) approximately FE employees on temporary duty in Washington who are destined for field assignments. Some of these are in training and others are doing odd jobs in Headquarters. The Finance Section

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prepares temporary duty vouchers, including per diem computation, and picks up the cash from the Finance Division for payment to the individuals. The Finance Division handles bank deposits to individual accounts and notifies the FE Finance Section of such action. stenographic personnel in OSO have been trained to do this work on a decentralized basis. OPC should emulate and save the expense arising from centralization in its Divisions. Purely as a corollary, it may be wise to question the wisdom of delaying any longer the reduction of large and cumbersome OPC Headquarters staffs in Washington while starving the field of badly needed personnel. The Theater concept may be a good solution.

Agency duty status reports are prepared within the FE Finance Section, certified by case officers in the Geographic Divisions, and forwarded to the Finance Division for payment of contract agent salaries. The Finance Division furnishes the FE Budget Officer with payroll information which permits him to keep records of unobligated balances for unvouchered contract salary payments. An additional payroll is submitted to the FE Budget Officer for the same purpose and covering employees occupying field slots, who are, of course, paid from unvouchered funds. One instance was noted in which a payroll of 27 individuals, presumably charged against the OPC [redacted] reflected 17 differences between the slot records of the Finance Division and those of the FE Division. It appears that punched card accounting of overseas positions would be advantageous. A decision as to responsibility for approval of overseas slots would also be desirable.

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The Finance Section of the FE Division utilizes one employee full time on division level overseas processing. This individual briefs all FE employees going overseas, informs the semi-covert itinerants of allowances and works with Central Processing Unit of the Covert Personnel Division in arranging for their overseas processing. This employee also checks the overseas processing in order to insure completion prior to departure. The Chief of the Central Processing Unit is not satisfied that all is going well with respect to overseas processing. There is sharp evidence of duplication and confusion in this area. It is believed that a comprehensive study of all travel arrangements and processing necessary for CIA personnel should be made. The procedures would be published completely in written form for the edification and guidance of all concerned.

The Finance Section also handles taxi fund disbursements for the Division. The Division has a \$300 imprest account for this purpose. Disbursement of funds at this point necessitates the placing of disbursement responsibility on a division employee and the keeping of records. It may be possible to disburse this money in the Finance Division and place upon the employee utilizing the money a responsibility for getting his own voucher to Finance for reimbursement.

The Finance Section also prepares requests for operational advances, clothing allowances, and any other advances in the form of a cash allowance. They also prepare accounting for these advances. Tickler files are maintained at this point in order to insure receipt of monthly operational advances to various individuals. Consideration should be given to central record keeping with respect to periodic operational advances. Voucher preparation and obtaining advances should be common knowledge to secretarial personnel.

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The Finance Section is also responsible for Time and Attendance Reports on Headquarters personnel, overtime estimates, and other activities in connection with the time and attendance function. Administrative generalists could perform this function.

The Budget and Fiscal Officer of the WE Division of OPC has been on duty approximately three weeks. One travel clerk is on duty at the present time, one secretary is in process, and a GS-11 Fiscal Officer position is vacant. There is intent to centralize within WE its budget and fiscal processes, but, at the present time, it is operating on a decentralized basis. The case officers maintain individual accounts on the projects under their jurisdiction. The case officers are working individually with the Finance Division and with the Field Stations. The only present exception to this practice exists in WE [] where an Administrative Officer, GS-7, is handling the fiscal load for the case officers. Each case officer, having been left to his own devices, is performing the job differently. Standardization and technical guidance would be of obvious advantage here.

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Travel work is not setup in the WE Division as it is in the FE Division. A GS-7, Travel Clerk, prepares the travel orders and follows through on travel arrangements. Approvals, however, for travel have been delegated to each Branch. This constitutes an obvious inconsistency. Travel vouchers are prepared by secretarial personnel working for the itinerants in the Branches. On the other hand, travel vouchers for in casuats are prepared by the Division travel clerk. The Division clerk also reviews all travel vouchers prior to submittal to the Finance Division for payment. The travel clerk also acts as a case officer on [] This involves the handling of operational development accounting and record keeping.

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During the course of the survey it was noted that the OPC Budget Officer is no longer handling all of the [] liaison with [] It does not appear desirable to have individual divisions (WE and EE) contacting [] on operational counterpart funds. OPC formally had centralized responsibility for this liaison and it appears that the matter should be looked into in order to determine why this centralized arrangement was not retained. The OPC Budget and Fiscal Officer has stated that he is studying the problem. [] of the Finance Division has stated that [] has recently turned out a comprehensive report on the entire [] situation.

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Other than the exceptions noted immediately above, the budget and fiscal work done in WE is representative of what is done in FE but it is done on a more decentralized basis. This heaps a load upon case officers which they are not expertly qualified to do, some of which should be done by specialized personnel under Central Administrative control but contiguous to OPC.

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A Budget Officer has recently been appointed for the NE Division. Here again there are deviations from initial approving authority. There was previously approved a GS-11 Fiscal Officer for the NE Division based upon the assumption that its budget load would be carried within the OPC Budget and Fiscal Branch. Because the Budget Officer is new, this function has really not gotten going at the division level in NE. The Budget Officer is handling both CSO and OPC budget matters within the NE Division. He states that there has been a very definite administrative merger in his Division. Field Station accounts, however, are maintained separately for CSO and OPC. This is a product of the merger rather than any budget and fiscal confusion. Until this situation is straightened out, the Budget Officer for NE must deal with the Budget Officer of CSO and the Budget Officer of OPC.

The fiscal work within this Division has been decentralized to case officers. The work which they must do is similar to that noted in the FE Division and the fashion in which they are organized is similar to that noted above in the NE Division. One travel clerk prepares travel orders and does the entire travel job with the exception of the keeping of accountings which are done by the case officers within the various Branches.

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[redacted], Chief of the NE Administration and Logistics Branch, expressed the belief that blanket annual travel authority for certain selected people subject to much travel would save a great deal of paper work. This suggestion appears reasonable and should be studied in due course by the O&M Service. He voiced a desire for manuals on procedures, standards, allowances, advances, the keeping of accounts, and related matters. [redacted] expressed concern over the baskets full of receipts

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which come into Headquarters for certification. Subsequent auditing, he stated, requires them to go all the way back to the field for an answer. This induces delay with attendant lapses of memory. The result is usually certification in the absence of supporting proof based upon a withholding of information for security reasons. [redacted] was of the opinion that field certification and field accounting with reports to Headquarters would be mandatory under the Theater concept. These viewpoints have been included because [redacted] having worked in responsible administrative positions here and [redacted] is undoubtedly knowledgeable in his field.

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The EE Division of OPC has always had more organizational problems than any other Division. At the same time, EE has always more aggressively resisted any attempts to influence their organizational structure than other Divisions of OPC. Time and time again EE has been given tables of organization based upon the assumption that initially agreed to functions

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and organizational structure would obtain, only to find later that unauthorized deviations had taken place. Illustrative of this situation is the fact that their Administrative and Logistics Branch at the Division level contains [] positions with [] vacancies and an additional three or four people in process or in training. It does not seem reasonable that [] of these centralized positions would have remained vacant on the T/O for six months if there had existed a real intent to fill them. Their T/O situation is so scrambled it is therefore necessary to present their budget and fiscal situation in terms of employees' names rather than position titles.

Each Branch in EE is responsible for its own budget and fiscal work. Each case officer handles his own budget and fiscal problems and one person in each Branch acts as a coordinator. One person in each Branch prepares agent duty status reports. Thus we find case officers recording obligations by project, breaking-down allotments between Headquarters and Field, and doing a vast array of work, some of which could be done more expertly and more economically by specialized personnel on a centralized basis.

25X1A9A [] who is currently slotted against a field position, has been spending one-half of his time on EE budget matters and one-half of his time on EE logistics matters. This function will either lose continuity when [] leaves or EE has no intention of sending [] overseas. Either of these situations should be viewed as undesirable.

25X1A9A Mr. [] has been absent on sick leave for three months and hence the travel function has been performed by [] Miss [] is slotted against an overseas position. She prepares Division travel orders, takes care of travel and operational advances, prepares and reviews travel vouchers, and handles other necessary travel details. 25X1A9A [] approves all EE travel authorizations. [] secretary handles the imprest account for taxi fare advances and also keeps records relating thereto.

25X1A9A Working in close proximity to [] is a [] with an operational background. They usually divide the work up so that [] approves operational advances and [] approves administrative advances. Separating the two is obviously difficult.

A majority of all obligating documents are routed through [] including purchase requisitions, but he does not get travel vouchers. Inaccurate pricing on purchase requisitions prior to submittal to Procurement and the absence of travel voucher obligations does not permit Mr. [] to keep up to date on his records of obligations. This problem will undoubtedly be solved when the obligation reporting system has been perfected by the Comptroller.

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As was noted in the case of FE there are large numbers of EE people on temporary duty in Headquarters presumably destined for overseas duty, who are drawing per diem. These [] people are currently costing approximately \$ [] a month in per diem. The EE Division does not provide a centralized service in procuring cash for these people from the Finance Division while they are on temporary duty. Instead each individual picks up his own voucher, hand-carries it to the Finance Division, and waits for the cash. Either EE or FE is doing it wrong, and both may be in error.

The Division's Personnel Officer accomplishes the briefing and overseas processing function and does any coordinating with Central Processing Unit necessary to get an employee in the Field. Some of the procedures necessary in this regard have been developed and reduced to writing for the use of EE personnel. These procedures may be of advantage to the O&M Service should they subsequently study this situation.

[] stated that [] has a merged finance setup serving OSO and OPC and, [] the Field Stations Budget and Fiscal Officer will start certifications in the Field. This appears to be an excellent idea.

One GS-11 Budget and Fiscal Officer and one GS-7 Administrative Assistant carried on the T/O of the OPC Psychological Warfare Division handle all budget, fiscal and travel work for this Division as well as the International Organizations Division. This is a centralized system and the case officers therefore handle little budget and fiscal work, with the exception of the preparation and initiating of agent duty status reports. These duty status reports then go to the Budget and Fiscal Officer within FY who initials them and forwards them to the FY Executive Officer for approval. This would appear to be unnecessary double handling.

Travel orders are prepared by clerks in the various FY and IO Branches and these are prepared under the supervision of the FY Budget and Fiscal Officer who approves and assigns numbers thereto. He also reviews and audits travel vouchers. In addition, he advises itinerants as to travel regulations, allowances and so forth and informs them as to what they should claim. Again here we find the local budget and fiscal setup handling all arrangements for covert travel. This raises the question as to whether or not Central Processing should handle travel of staff employees only. It is entirely possible that we may be able to standardize this system without encroaching upon security.

The FY Budget and Fiscal Officer handles all cash advances including the picking up of the advance and getting it to the agent through the case officer as a cut-out. He also handles operational cash reimbursements.

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The Budget and Fiscal Officer for the PY Division breaks down his PY and IO allotments on a project basis between Headquarters and Field as is done in the case of other OPC Divisions.

The PY Budget Officer receives regular monthly cash reports and supporting papers on NCFE and similar activities. He stated that reports received on project [] are rather irregular and not nearly as satisfactory as the monthly cash reports received on a similar project for the Far East.

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The PY Budget and Fiscal Officer also keeps accounts and disburses funds for taxi fares.

The PY Budget and Fiscal Officer also maintains a project control system. He also prepares memoranda of notification to all concerned when organizational responsibility for administering a project is changed. There has been much organizational fluctuation in the old SP Division of OPC and its successors, the Psychological Warfare and International Organization Divisions. Inasmuch as this is not necessarily related to the budget and fiscal problem, this matter will not, therefore, be dealt with here.

The Western Hemispheric Division, being rather new, and having only recently been merged, is still operating in part of its old harness. They have one Budget Officer who handles both OPC and OSO budget and fiscal work for the Division, but, inasmuch as a parallel merger has not occurred between the OSO and OPC Budget and Fiscal Officers at the office level, it is necessary for these two office-level budget and fiscal counterparts to render monthly reports to WHD on fund balances. Interim balances are ascertained by phone. This irregularity is a produce of the merger rather than any budget and fiscal irregularity.

The Budget Officer for WHD has been out on sick leave for many months. The work has been carried along by the Chief of the Administrative Staff. This has been compensated for in part through the preparation of long-range budget planning in the Plans and Operation Staff of WHD.

The WHD budget and fiscal setup operates largely in a centralized and semi-merged fashion. Details would only represent a repetition of the observations noted in NE.

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